

THE PRESIDENT'S BUDGET – MEETING THE GOALS OF OUR TIME

America faces a unique moment in history: our nation is at war, our homeland was attacked, and our economy is in recession. The President's Budget meets the requirements of victory and the test of responsibility. The President's Budget holds government accountable for results that address these priorities of the American people:

- ◆ **Winning the war on terrorism;**
 - ◆ **Strengthening protections of our homeland; and**
 - ◆ **Revitalizing our economy and creating jobs.**
- ✓ Increases defense spending by 12%, nearly doubles homeland security spending, and provides immediate assistance to workers who lost their jobs -- while holding the growth in spending for programs outside of defense and homeland security to only 2%;
 - ✓ Provides significant funding increases for important priorities like health care, prescription drugs, education, the environment, agriculture, and retirement security; and
 - ✓ Returns to budget surpluses within 2-3 years if Congress adheres to the President's call for fiscal responsibility.
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WINNING THE WAR ON TERRORISM

- Increases defense spending by \$38 billion (12%), with an additional \$10 billion, if needed, for the war against terrorism. This funding is needed to meet new and emerging threats on the global battlefield; modernize our military; improve intelligence; fund new high-tech weapons; protect our troops against chemical and biological attacks; and give our troops another well-deserved pay raise and their families important quality of life improvements, including better housing and health care.

STRENGTHENING PROTECTIONS OF OUR HOMELAND

- Provides \$38 billion for a sustained strategy of homeland security focused on four key areas – bioterrorism, emergency responders, airport and border security, and improved intelligence. This includes \$5.9 billion to counter bioterrorism; \$10.6 billion to secure our borders and more than doubles the number of Border Patrol agents on our Northern border; \$380 million to implement an entry-exit visa security system; \$4.8 billion to toughen aviation security; and \$3.5 billion to equip and train first responders such as firefighters, law enforcement and emergency medical personnel.

REVITALIZING OUR ECONOMY – JOBS, IMMEDIATE HELP TO THE ECONOMY, & EDUCATION

- **Immediate Help to the Economy.** Includes an aggressive job creation package that accelerates middle class tax relief; creates jobs by spurring investment; and makes available in FY 2003 a total of \$9.3 billion – 36% more than will be spent in FY 2002 -- to help unemployed workers get job training, get back to work, and get health care assistance. The budget also supports extended unemployment benefits and provides assistance to help dislocated workers keep their health care coverage. The best way to guarantee future surpluses is to guarantee future economic growth.
- **Retirement Security.** Provides \$190 billion to strengthen Medicare and provide a new Medicare prescription drug benefit; takes immediate steps to modernize Medicare to improve Medicare benefits and give seniors better coverage options; fully funds Social Security and Medicare benefits for seniors.
- **Education.** Builds on successful passage of the No Child Left Behind Act and the dramatic increases in fiscal year 2002 by providing historic levels of funding for special education (\$8.5 billion); boosting funds for low-income students by \$1 billion; funding important reading initiatives to ensure that every child can read by the 3rd grade; and providing \$10 million for a new initiative to recruit and train library professionals.

RESTRAINS GOVERNMENT SPENDING BY FUNDING PRIORITIES & HOLDING GOVERNMENT ACCOUNTABLE

- **Health Care.** Provides a refundable tax credit to subsidize up to 90% of the cost of health insurance for low and middle-income Americans who do not have employer coverage (\$89 billion over 10 years); expands the number of community health centers by 1,200 to serve an additional 6.1 million patients; doubles NIH medical research spending, which will help fund research on important diseases like breast cancer, heart disease and AIDS; and proposes tax deductions for the purchase of long-term health care insurance and tax exemptions for caregivers who provide family members with long-term care.
- **Prescription Drugs.** Provides \$190 billion to strengthen Medicare with a Medicare prescription drug benefit, with immediate help for low-income seniors.
- **The President's Call to Service & Citizenship.** Provides the new USA Freedom Corps with \$560 million to prepare for crisis at home, to strengthen our communities, and to extend American compassion throughout the world. Provides additional support for 122 Job Corps Centers to prepare more than 72,000 disadvantaged young Americans for work in the new economy.
- **Environment.** Provides record funding levels for the EPA's operating budget and its state grant programs allowing EPA to protect our drinking water, clean up industrial waste sites, reduce pollution and preserve America's precious national wildlife refuges. Fully funds the Land and Water Conservation Fund (\$900 million) and eliminates the National Park Service maintenance backlog by 2006.
- **Energy.** To increase energy efficiency and use of renewable resources, and to reduce our dependence on foreign oil, the budget provides \$9.1 billion in tax incentives over 10 years to develop alternative technologies, including renewable electricity generation, residential solar energy systems, and hybrid and fuel cell vehicles. The budget also increases funding to weatherize low-income family homes.
- **Compassionate Assistance for Those in Need.** Funds a 20% increase in federal weatherization programs to help an additional 18,000 Americans heat and cool their homes; restores food stamp eligibility for legal immigrants; increases funding by \$364 million for the Women, Infants and Children's nutrition program to serve almost 8 million women and children each year; provides tax credits to spur charitable giving; and increases funds for programs to mentor children of prisoners and initiatives to promote responsible fatherhood.
- **Agriculture.** Provides an additional \$73.5 billion over 10 years to support America's farmers.
- **Americans With Disabilities.** Increases funding on cutting-edge technologies to tear down the barriers between disabled Americans and their communities. Last year, President Bush announced his New Freedom Initiative to help the more than 54 million Americans with disabilities become active members in their community. The budget continues support for this initiative with additional investments in programs that help individuals with disabilities lead independent lives, including a \$1 billion increase for special education, \$145 million for innovative transportation programs, and \$750 million for four HHS demonstrations to break down barriers to community living for people with disabilities.
- **Holding Government Accountable for Performance & Results.** Holds government to stricter and stronger standards by reforming management and budget practices. Installs accountability by linking program funding to program results. Programs will be judged by their results – not by their funding levels.
- **Election Reform.** Modeled on the recommendations of the Ford/Carter Commission on election reform, the Administration is proposing a new Federal-state funding partnership totaling \$1.2 billion in Federal funds, matched by \$1.2 billion in state funds. The Federal government would provide \$400 million annually for 2003 through 2005. States would receive a percentage of the \$400 million based on its share of electoral votes. Funds could be used to finance new voting machines, registration systems, voter education, and poll worker training.